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Addendum

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President's summary

Development strategies in a globalized world: Policymaking in an evolving framework of global governance

(Agenda item 8)

1. Under this item, chapters III, IV, V and VII and the Overview of the *Trade and Development Report, 2014* provided the background for discussion. Delegations widely acknowledged that the increased ambition in the post-2015 development agenda was combined with a less favourable external economic environment, requiring greater policy and fiscal space.

2. Many delegations agreed that multilateral efforts were crucial to maintaining and enlarging policy space. Striking the right balance between the benefits of international rules and the loss of policy space created a trade-off which, as one panellist emphasized, was for each government to evaluate. Institutional development was crucial for the effective use of policy and fiscal space, and some speakers called upon the international community to provide capacity-building to that effect. Additional international rules were desirable in the areas of finance and debt; in that respect, one delegate proposed making official development assistance mandatory for developed countries. Many speakers expressed concern about existing rules, especially those regarding arbitration under investment treaties that were often biased against host countries. However, such rules could be relaxed at the national level by renegotiating agreements, not renewing expiring treaties, or adopting national laws prior to the signing of new treaties to reduce the risk of governments being sued. The Declaration on the TRIPS Agreement and Public Health had also indicated that existing agreements could be reformed.

3. The debate on fiscal space noted that foregone tax revenues were very substantial, emphasizing that tax space erosion was due to tax competition among States and tax avoidance by transnational corporations and wealthy individuals. One panellist called for an international rule that would make country-by-country reporting on the activities of transnational corporations mandatory. Several speakers welcomed ongoing initiatives towards greater transparency, such as those carried out under the auspices of the Organization for Economic Cooperation and Development and the African Union, but called for greater effort at the multilateral level to fully uncover tax avoidance and take account of developing country interests.

4. Many delegations considered the analyses and policy recommendations of the Report that focused on policy space for development to be timely, pertinent, comprehensive and useful for the debate. The issues addressed in the Report concerning trade, industrial and fiscal policies and the need for a global economic system that supported development were of major interest to developing countries. This was also true in the context of the post-2015 development agenda, where policy space was a fundamental variable for the definition of sustainable development goals. Many delegations said that UNCTAD had an important role to play in that process and that it should continue doing research and analysis – as well as supporting consensus-building – on policy space. A few delegations requested UNCTAD to enhance coherence in its research, while others considered that diversity of ideas was healthy for the Organization.